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BOARD OF SUPERVISORS

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COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

September 2, 2004

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST FOR APPROVAL OF A SOLE SOURCE CONTRACT  
WITH EXCEL ELEVATOR SERVICES, INC. FOR REPAIRS AND UPGRADES TO  
ELEVATORS 3, 4, 7 AND 8 AT MARTIN LUTHER KING, JR./DREW MEDICAL CENTER  
(2nd District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the repair of elevators is categorically exempt from the California Environmental Quality Act in accordance with Guidelines section 15301 (a) and (d), and under Class 1 (c) and (d) of the County of Los Angeles Environmental Reporting Procedures and Guidelines adopted by your Board on November 17, 1987; and
2. Delegate authority to the Director of Health Services, or his designee, to execute upon review and approval by County Counsel and the Chief Administrative Office, a sole source contract with Excel Elevator Services, Inc. (Excel) for repairs and upgrades to elevators 3, 4, 7, and 8 at Martin Luther King, Jr./Drew Medical Center effective upon Board approval for 56 weeks, at a maximum obligation of \$589,630, net County cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

In approving these actions, the Board is allowing Martin Luther King, Jr./Drew Medical Center (King/Drew) to proceed with much needed repairs and upgrades to four passenger elevators in King/Drew's main hospital building. Frequent non-routine maintenance has been required and numerous costly emergency component repairs and/or upgrades have been necessary to ensure safe operation, maintain acceptable performance levels, and avoid unscheduled shutdowns. Keeping these elevators operable is critical to patient care and safety.

FISCAL IMPACT/FINANCING:

The estimated total net County cost of the repairs for the four elevators is \$589,630. This will be funded within the Department of Health Services' existing resources in the Fiscal Year (FY) 2004-05 Adopted Budget and will be requested as necessary in future years. No additional net County cost will be required.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Background

Historically, the County has had energy management services contracts at three of the Department of Health Services' (DHS) facilities, one of which was King/Drew. TXU SEM (TXU) was the most recent energy management services contractor. When energy-related equipment, including elevators, required improvement, King/Drew would request TXU to review the project and procure a contractor to perform the work.

In July 2003, King/Drew determined that four passenger elevators in the main hospital building needed electrical and mechanical repairs and upgrades, a project which would have qualified as an energy improvement. At that time, King/Drew submitted its proposal to TXU. Claiming that it was going out of the energy management business, TXU refused to accept the additional work.

From August through October 2003, TXU attempted to subcontract its energy management obligations to The Solutions Group (TSG) and, when that attempt failed, ultimately provided no further energy management services to King/Drew. During this time, Excel received a document signed by a King/Drew employee, purported to be a contract for elevator repair services with the County. Believing it had a contract for elevator repair and upgrade services for elevators 7 and 8, Excel began to manufacture supplies and materials for the work and delivered them to the King/Drew work site on March 18, 2004, at a billed cost of \$90,489.47. Excel has not been paid for the materials already delivered to the site. After review of these circumstances, the employee who signed the document was discharged.

Current Status

These elevators provide essential transportation services for patients, staff and visitors in the main hospital building of King/Drew. The elevators were manufactured and installed in the early 1970s and have exceeded their anticipated 25-year service life. Their current condition impairs the ability of King/Drew to provide services to the community. Emergency repair work has become more frequent as the equipment ages, and current repairs cannot guarantee that the elevators will not continue to break down and cause further disruption to medical care and services. In addition, the elevators are not in full compliance with the Americans with Disabilities Act (ADA) and California Code of Regulations (CCR) Title 24 requirements for disabled access.

The recommended sole source contract includes all the required provisions such as insurance, indemnification, liquidated damages, prevailing wage, performance and payment bonds, and has been approved as to form by County Counsel. The contract will be effective upon Board approval with a 56-week performance period to follow. To minimize inconvenience to King/Drew's operations and the public, the elevator repair work will be sequenced so that no more than one elevator will be out of service at any given time.

The circumstances with respect to these elevators are similar to the ones surrounding the emergency replacement of the chilled water coil systems on the air handlers at King/Drew, for which the Board approved a contract on March 30, 2004. At that time, the Department knew that the repair of the elevators was pending and was aware of some of the related circumstances, but had not yet obtained all the facts concerning the issues. Board approval of this contract will resolve the last outstanding issue of this type concerning TXU and King/Drew of which the Department is aware.

Attachment A provides additional information.

#### CONTRACTING PROCESS:

Experienced County elevator maintenance mechanics from both the Internal Services Department and the Rancho Los Amigos National Rehabilitation Center independently verified the conditions of these four elevators for DHS. The mechanics concurred that the elevators require corrective action. The proposed renovations will significantly reduce maintenance and operating costs, bring the equipment into compliance with disabled access requirements, minimize passenger wait-time, and address patient/public safety concerns.

Unless they are repaired, these four elevators will be subject to constant breakdown, exposing patients, employees, and the public to potential harm and compromising patient care. Excel has completed partial work in preparation for the elevator repairs. It is in the best interest of the County to contract with Excel for these elevator repair services because work has been partially performed, Excel's price is fair and reasonable, and it is not economical for other vendors to manufacture parts and begin performance. Excel is ready, willing, and able to repair all four elevators at King/Drew.

#### ENVIRONMENTAL DOCUMENTATION:

This project is categorically exempt from the California Environmental Quality Act in accordance with Guidelines section 15301 (a) and (d), and under Class 1 (c) and (d) of the County of Los Angeles Environmental Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, because the project is limited to the restoration and repair of equipment due to deferred maintenance and interior alterations involving plumbing and electrical systems.

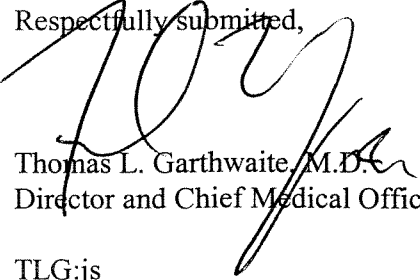
#### IMPACT ON CURRENT SERVICES (OR PROJECTS):

Current services will continue uninterrupted. Repairs will be scheduled to minimize disruptions to King/Drew operations and inconvenience to the public.

The Honorable Board of Supervisors  
September 2, 2004  
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:js

Attachment (2)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

BLExcel0.wpd

**SUMMARY OF AGREEMENT**

1. **SERVICES:**

Repairs and upgrades to elevators 3, 4, 7, and 8 at Martin Luther King, Jr./Drew Medical Center (King/Drew).

2. **AGENCY ADDRESS AND CONTACT PERSON:**

Excel Elevator Services, Inc.  
401 Cheyenne Dr.  
San Dimas, California 91773  
Attention: John Luu, Project Manager  
Telephone: (909) 599-2438 Fax: (909) 305-0844

3. **TERM OF AGREEMENT:**

The term of the agreement will commence upon Board approval and continue for 56 weeks.

4. **FINANCIAL INFORMATION:**

The estimated total net County cost of the repairs and upgrades for the four elevators is \$589,630, net County cost, which includes a payment of \$90,489.47 for materials that have been manufactured and delivered to King/Drew. This will be funded within the Department of Health Services' existing resources in the Fiscal Year 2004-05 Adopted Budget and will be requested as necessary in future years. No additional net County cost will be required.

5. **PRIMARY GEOGRAPHIC AREA TO BE SERVED:**

2nd District.

6. **DESIGNATED ACCOUNTABLE FOR PROGRAM EVALUATION:**

Administration at King/Drew.

7. **APPROVALS:**

King./Drew: Michael Hernandez, Chief Operating Officer

Contract Administration: Irene E. Riley, Director

County Counsel (approval as to form): Robert Ragland, Deputy County Counsel

Exec Office, BOS




County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.co.la.ca.us>

DAVID E. JANSSEN  
Chief Administrative Officer

September 9, 2004

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: David E. Janssen   
Chief Administrative Officer

Board of Supervisors  
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YVONNE B. BURKE  
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Fifth District

**DEPARTMENT OF HEALTH SERVICES RECOMMENDATION TO APPROVE A  
SOLE SOURCE CONTRACT WITH EXCEL ELEVATOR SERVICES, INC., FOR  
REPAIRS AND UPGRADES TO ELEVATORS AT MARTIN LUTHER KING/DREW  
MEDICAL CENTER (ITEM NO. 37, AGENDA OF SEPTEMBER 14, 2004)**

Item No. 37 on your September 14, 2004 agenda is the Department of Health Services' (DHS) request for Board approval of a sole source contract, which includes a retroactive payment of \$90,489.47 for partial work already completed at Martin Luther King/Drew Medical Center (MLK/Drew). This action is not in compliance with the Board-approved policy to ensure the timely submission of contracts for Board approval.

Despite the retroactive nature of the payment to the contractor, we approved placement of this item on the agenda for consideration by your Board, because the work is necessary to ensure safe operation of elevators used by patients, staff and visitors at MLK/Drew. In addition, the vendor, Excel Elevator Services, Inc., began to manufacture supplies and materials, which have been delivered to MLK/Drew, with the good faith belief that they had a valid agreement with the County in the form of a document signed by an employee of MLK/Drew. DHS indicates that the MLK/Drew employee who signed that document has since been discharged. The immediate need for this elevator repair work has been confirmed in an independent review by experienced County elevator maintenance mechanics from both the Internal Services Department and DHS.

If you have any questions or need additional information, please call me or your staff may contact Amy Bennett of my staff at (213) 893-9742.

DEJ:DIL  
SAS:AB:bjs

c: Executive Officer, Board of Supervisors  
County Counsel  
Director of Health Services